

ATTACHMENT C

RENTAL UNIT AFFORDABILITY

ATTACHMENT 4

Rental Unit Affordability

BMR Rent Existing Calculation: 77.3% of Median Income* x 25%/12 mos.

BMR Rent Proposed Calculation: 65% of Median Income x 30%/12 mos.

* HUD uses 77.3% as Low Income Limit in San Jose PMSA

Example.

For 3 persons in 2002, using the HUD guideline of 30% gross income for rent affordability.

	3-person Income	Affordable Rent (30% x Income/12 mos.)	2 Bedroom Rent (Sunnyvale Survey)	BMR Rent Existing Calculation	BMR Rent Proposed Calculation	% Income for Rent		
						Market	BMR Existing Calculation	BMR Proposed Calculation
30% Median	\$25,911	\$648	\$1,533	\$1,392	\$1,404	71%	64%	65%
50% Median	\$43,185	\$1,080	\$1,533	\$1,392	\$1,404	43%	39%	39%
75% Median*	\$64,778	\$1,619	\$1,533	\$1,392	\$1,404	28%	26%	26%
80% Median	\$69,096	\$1,727	\$1,533	\$1,392	\$1,404	27%	24%	24%
Median	\$86,370	\$2,159	\$1,533	\$1,392	\$1,404	21%	19%	20%

* Proposed Benefited Households qualifying for Rental Units are at 70% of median income or less.

Comparison of Rent Increase Methods

Existing Percentage change in median income

Method: as published by HUD

Proposed Lesser of 5% or percentage increase in Sunnyvale

Method: market rent as published in the Sunnyvale Vacancy and Rent Survey.

Year	Existing Method		Proposed Method		
	Median Income	% Change in Median Income	2 Bedroom Rent (Sunnyvale Survey)	% Change in Sunnyvale Survey Rent	Increase with 5% Cap
1997	\$70,200	--	\$1,339	--	--
1998	\$77,200	10.0%	\$1,425	6.4%	5%
1999	\$82,600	7.0%	\$1,522	6.8%	5%
2000	\$87,000	5.3%	\$1,983	30.3%	5%
2001	\$87,300	0.3%	\$2,043	3.0%	3%
2002	\$96,000	10.0%	\$1,533	-25.0%	0%